

SENATE BILL 321

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Q4

2004 Regular Session
4r0740

By: **Senators Hafer, Astle, Britt, Colburn, Conway, Dyson, Green, Greenip,
Hollinger, Klausmeier, Middleton, Schrader, and Stone**

Introduced and read first time: February 2, 2004

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Sales and Use Tax - Tax-Free Weekend**

3 FOR the purpose of designating a certain weekend to be a tax-free weekend during
4 which a certain sales and use tax exemption will apply; altering a certain sales
5 and use tax exemption to include certain school supplies and personal
6 computers and to remove a certain limitation; defining certain terms; requiring
7 the Comptroller to submit a certain report by a certain date; and generally
8 relating to the designation of a certain tax-free weekend in the State.

9 BY repealing and reenacting, with amendments,

10 Article - Tax - General

11 Section 11-228

12 Annotated Code of Maryland

13 (1997 Replacement Volume and 2003 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
15 MARYLAND, That the Laws of Maryland read as follows:

16 **Article - Tax - General**

17 11-228.

18 (a) (1) In this section[, "accessory items"] THE FOLLOWING WORDS HAVE
19 THE MEANINGS INDICATED.

20 (2) "ACCESSORY ITEMS" includes jewelry, watches, watchbands,
21 handbags, handkerchiefs, umbrellas, scarves, ties, headbands, and belt buckles.

22 (3) "SCHOOL SUPPLY" MEANS ANY ITEM, INCLUDING ELECTRONIC
23 DEVICES, PURCHASED FOR USE IN THE CLASSROOM, FOR SCHOOLWORK COMPLETED
24 IN SCHOOL, OR FOR ANY SCHOOL ACTIVITY.

25 (4) (I) "PERSONAL COMPUTER" MEANS A LAPTOP, DESKTOP, OR
26 TOWER COMPUTER SYSTEM PURCHASED FOR NONBUSINESS USE THAT CONTAINS AT

1 A MINIMUM A CENTRAL PROCESSING UNIT, RANDOM ACCESS MEMORY, A STORAGE
2 DRIVE, A DISPLAY MONITOR, AND A KEYBOARD.

3 (II) "PERSONAL COMPUTER" INCLUDES ALL COMPUTER HARDWARE
4 AND SOFTWARE SOLD TOGETHER WITH A COMPUTER SYSTEM IN THE SAME RETAIL
5 SALE.

6 (b) (1) The [week from August 10, 2001 through August 16, 2001]
7 WEEKEND THAT BEGINS ON THE SECOND FRIDAY IN AUGUST AND ENDS ON THE
8 FOLLOWING SUNDAY IN AUGUST EACH YEAR shall be a tax-free [week] WEEKEND
9 for back-to-school shopping in Maryland during which the exemption under
10 paragraph (2) of this subsection shall apply.

11 (2) During the tax-free [week] WEEKEND for back-to-school shopping
12 established under paragraph (1) of this subsection, the sales and use tax does not
13 apply to the sale of ANY SCHOOL SUPPLY, PERSONAL COMPUTER, OR any item of
14 clothing or footwear, excluding accessory items[, if the taxable price of the item of
15 clothing or footwear is less than \$100].

16 SECTION 2. AND BE IT FURTHER ENACTED, That the State Comptroller
17 shall report to the General Assembly on or before December 1, 2005, in accordance
18 with § 2-1246 of the State Government Article, on the fiscal impact of this Act.

19 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 July 1, 2004.